

## THE MINNESOTA POLICY BLUEPRINT

### Introductory Remarks by Chuck Spevacek.

Good morning. My name is Chuck Spevacek. I'm a member of the board and past chairman of Center of the American Experiment. Today I announce and describe our plans to create a project we're calling *The Minnesota Policy Blueprint: Prescription for Prosperity*.

The *Blueprint* will consist of a package of wide-ranging policy recommendations aimed at enabling all Minnesotans to thrive in their personal and financial pursuits.

We call it a *Prosperity Agenda*—an agenda to deliver real hope and change to all Minnesotans.

There is an urgent need for this. The recent legislative sessions exposed a legislature and a governor trapped in the priorities of the past.

- Instead of innovating ways to deliver more value to Minnesota taxpayers, lawmakers addressed a \$600 million budget deficit by raising taxes \$2.1 billion.
- Instead of making the education system more accountable and accessible to parents and students, lawmakers predictably chose policies that favored unions.

- And instead of identifying how to better connect people with solid well-paying middle-class jobs, lawmakers upped the minimum wage.

Those attitudes will persist until a strong alternative policy vision captures the hearts and minds of the citizens of Minnesota.

Which is why we're creating the *Policy Blueprint*. We've identified 10 areas where we think that thoughtful, common sense policy proposals can help put Minnesota back on the path to achieve its full potential.

These will not be traditional "academic" white papers. Our recommendations will appeal to broad public sensibilities. Most important, they will not merely "admire" problems, but will drive practical, deliverable policy solutions.

We'll release these proposals individually by topic over this summer and fall.

In December we'll publish a book that combines all our proposals – and we'll personally circulate that book to legislators, staff, and to members of the Administration.

And finally, by January 2015, we will help draft our recommendations into legislation and we will help the coalitions necessary to get those bills passed.

Our content will cover the following issues.

We will address **JOB CREATION**.

Minnesota's regulations, public programs and tax system need to work *with* employers to maximize job opportunities. Too often Minnesota's workers and job creators are held back by over-prescriptive labor rules or onerous environmental regulations that stifle productivity and do nothing to actually protect the environment.

We will address **EDUCATION**.

Minnesota's students are be being adequately prepared for 21<sup>st</sup> century jobs. All Minnesota students deserve the opportunity to choose an education that will put those jobs within their reach.

We will address the **BUDGET**.

Common sense tells everyone that our state budget should be determined by the priorities of it citizens. Yet that's not the way it works. Every new budget needs to focus on achieving better results for every tax dollar we spend.

We will address **TAXES**.

High quality government services depend on an adequate amount of tax revenue. But *how* Minnesota raises that tax revenue greatly impacts incentives to work and to invest in this state. Minnesota needs a taxation model that reflects today's economic realities and positions Minnesota for growth.

We will address **PENSIONS**.

Minnesota's defined benefit pension system is no longer financially sustainable. That puts both public employee retirement funds and taxpayers at serious risk. We need to reorganize past promises and redesign future agreements.

We will address **HEALTH CARE**.

Minnesotans expect and receive high quality and innovation from our health care system. But that system suffers from serious problems, and Obamacare is only making it worse. Minnesota must embrace the power of the free market to tackle the rising cost of health care, and it must empower consumers to be more involved in their health care choices, not disenfranchise them.

We will address **FAMILIES**.

Family fragmentation rates in the United States are possibly the highest in the industrial world. And while the situation is less severe in Minnesota, still an enormous number of people in our state are being hurt, their careers stymied, and our economy shortchanged by this phenomenon. We will recommend what government can appropriately do alongside churches, charities, and the rest of civil society to address this issue.

We will address **ENERGY**.

For nearly three decades, Minnesota businesses and families have enjoyed comparably low energy rates, all while protecting the environment for future generations. Today that advantage is slipping because the state no longer prioritizes affordable energy rates. It's time to bring back a balanced approach.

We will address **TRANSPORTATION**.

Minnesotans want a transportation system that gets them to their destinations quickly and at a reasonable cost. Nearly everyone relies on a car. We need to prioritize our transportation dollars to make sure people can jump in their cars and get where they want to go -- their jobs, their games, and their recreation -- as quickly and as safely as possible.

We will address the **MET COUNCIL**.

The Met Council is the Twin Cities regional government created in the 1960s with the sensible purpose of helping plan and coordinate regional infrastructure. Instead, the mission of that un-elected body has crept into re-engineering society on the basis of "equity" and "sustainability." And, in the process, it has shifted power away from local elected officials. Minnesota needs to plan for the future, but planning should respect the authority of elected officials, reflect citizens' preferences and expand the economic competitiveness of the region.

**PAUSE**

These proposals will represent a *comprehensive* and *thematically consistent* first step toward building a culture of prosperity in Minnesota.

What do I mean by a culture of prosperity?

To us, prosperity includes a whole array of benefits that help Minnesotans achieve a rich and fulfilling life. Economic success is only part of it.

- It means enabling all Minnesotans to raise their families in a safe, healthy and fulfilling environment.
- It means creating opportunities and incentives for self-actualization and personal enrichment
- It rewards hard work, personal responsibility and individual initiative.
- And it means access to jobs – *well-paying* jobs.

I want to emphasize this: (SLOWLY AND REPEATED)

If there is one concept that drives the Blueprint, it is High ... Quality  
.... Jobs.

Quality jobs are the foundation that sustains our culture and our  
economy.

Someone once said, “Work is the elixir of life.”

We’ve also heard it said that the best housing policy is a job, ...

... the best education policy is a job,

... the best healthcare policy is a job,

... and the best family policy is a job.

We agree.

And our emphasis will be on *quality* jobs. If people are forced to work  
ungodly hours at multiple jobs with low pay, with no benefits, and no  
time for their families, we aren’t adding to Minnesota’s culture of  
prosperity.

This is not about business or corporate profits ... it is about high quality jobs.

With that in mind, our policy recommendations will emphasize (pause) **opportunity**, (pause) **value in government**, (pause) **innovation** and a full appreciation of the job-creating power of **entrepreneurs**.

Let me just spend a minute on each concept.

**We will emphasize creating opportunity.**

The liberal obsession with *equality of outcomes*, is short sighted and counter productive. None of us are promised an equal outcome. We are only promised an equal opportunity. And we believe in *equality of opportunity*.

At the end of the day, a minimum wage worker who makes \$10 per hour instead of \$7 per hour is *still* making the minimum wage. We haven't increased their job performance skills or created an environment of increased opportunities to help them move up.

Forward-looking economic policies should stop fretting about redistributing individual slices of Minnesota's economic pie. They should focus on making the pie bigger.

**We will emphasize value in government.**

There are extremely important functions in our culture that can't be performed well by anyone else. And government plays a crucial role in enabling and supporting economic growth.

But, we need a government that knows its boundaries and that strives to bring tangible value in everything it does.

And that government must agree: Excessive taxation and regulation *always* stifle prosperity.

**We will emphasize innovation.**

Minnesotans are intelligent, caring, hardworking, honest, and responsible.

We should leverage those strengths to address our common problems and exploit our common opportunities.

The good jobs of today and tomorrow will come from new ideas, new knowledge, and new technologies.

If Minnesota were a country, our GDP would rank around 40<sup>th</sup> in the world. Policy-makers need to view our economy by world standards ... we need to compete for the global economic pie ... for its innovators, for its companies, and for its talented employees.

**We will respect the job creators.**

The creation of *private-sector* jobs is *always* the foundation of a *growing* and prosperous society.

We enable our job creators by providing available talent, a jobs-friendly regulatory environment, and a high-functioning infrastructure.

But the sad reality today is that Minnesota is no longer viewed as a particularly job-friendly state. Businesses are leaving, and our number of start-ups is far lower than it should be.

Minnesota has everything we need to be a top-notch hub of innovation and to attract talent from around the world.

Making the right choices now will ensure Minnesota achieves its potential to be a global leader.

**PAUSE**

It's no accident that the release of our policy recommendations coincides with the launch of Minnesota's campaign season. Center of the American Experiment is not a partisan organization and never will be.

But we do recognize campaign season is a time when voters pay closest attention to what their elected officials say, what they do and what they stand for.

It is the best time to talk about policy.

We also understand that many Minnesota voters think political campaigns should place more emphasis on public policy. We're hopeful that our Prosperity Agenda will help fill that need.

Issues are important. {ADD}

We live here; we're raising our families here. We want to see policies to enable the State to achieve its full potential. Because when it does, the citizens of Minnesota will get an opportunity to achieve their full potential – economically, socially, and across all aspects of the spectrum of what constitutes prosperity.

Minnesota has long been an economic powerhouse. The foundations of our success have been powered by our diverse economy, our location at a crossroads of commerce, our civic engagement and our industrious, entrepreneurial, and well-educated workforce.

But we can never assume that past economic success will guarantee future returns.

Minnesota faces new challenges ... increasing global competition, aging demographics, declining education outcomes and weakening families. No one is suggesting Minnesota is no longer the state that

works, but Minnesota needs certain course corrections to meet and overcome future challenges.

The *Minnesota Policy Blueprint* will help engineer a comprehensive package of ideas to steer us back toward the economic, personal and cultural prosperity all Minnesotans want to pass on to the next generation.

I think we're going to make a difference.